United States Court of Appeals for the Second Circuit



APPELLEE'S APPENDIX

76-1499 75

IN THE

United States Court of Appeals

FOR THE SECOND CIRCUIT

UNITED STATES OF AMERICA,

Plaintiff-Appellee,

v

NICHOLAS DEMETROULES and NMD FILM DISTRIBUTING CO., INC.,

Defendants-Appellants.

On Appeal from the United States District Court for the Western District of New York.

GOVERNMENT'S APPENDIX

RICHARD J. ARCARA, United States Attorney, Western District of New York, Attorney for Plaintiff-Appellee, 502 United States Courthouse, Buffalo, New York 14202.

THEODORE J. Burns, Assistant United States Attorney, of Counsel.

> BATAVIA TIMES, APPELLATE COURT PRINTERS A. GERALD KLEPS, REPRESENTATIVE 20 CENTER ST., BATAVIA, N. Y. 14020 716-343-0457





PAGINATION AS IN ORIGINAL COPY

GOVERNMENT'S APPENDIX

				Page
Licensing Agreement (Exhibit 10)				1
Advertisement (Exhibit 11)				12
Advertisement and Synopsis (Exhibit 12)			•	13
Exhibitor's Showmanship Manuel (Exhibit 13) .		•	•	18
Clark Service, Inc. Records (Exhibit 15)			•	22
Excerpts of NMD Corporate Records (Exhibit 16)				25

Licensing Agreement (Exhibit 10)

GOVERNMENT EXHIBIT

AGREEMENT made this 3/ day of OCTOBER, 1972 by and between KARMETIC PRODUCTIONS, INC., 630 Ninth Avenue, New York, New York, a New York corporation, (the "Licensor"), and NMD FILM DISTRIBUTING CO., INC., 250 West 57th Street, New York, New York, a New York corporation (the "Licensee").

WITNESSETH:

WHEREAS, Licensor has produced and owns a full length color feature motion picture entitled "The Healers" (the "Picture").

WHEREAS, Licensee desires to enter into an agreement for the distribution of the Picture in the Territory and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable considerations, it is agreed as follows:

I. GRANT OF LICENSE

- l. Licensor hereby grants to Licensee the sole and exclusive right to distribute the Picture in the Territory on the terms and conditions hereinafter set forth. Without limiting the generality of the foregoing, Licensee shall have the following rights, licenses and privileges, to be used by Licensee solely in connection with the distribution of the Picture in the Territory:
- (a) The exclusive right to distribute, exhibit, telecast and sub-license for exhibition and telecast, and the right to grant to others licenses and sub-licenses to exhibit and telecast, the Picture by means of 35mm and 16mm gauge film versions of the same, both theatrically and non-theatrically, whether free or toll, and by other means, whether now or hereafter in use.
- (b) The right to make prints and reprints of the Picture and to make reproductions of the music, dialogue and sound effects as are necessary to effectuate the purpose hereof and to distribute, market, rent or sell such prints, re-prints and reproductions.

(c) The right to cut, change the main title edit, re-edit, re-score, re-dub and make other alterations to the positive prints as Licensee shall determine, provided that Licensor consents in writing to any such change which consent shall not unreasonably be withheld. by the second foorwe of a dodle to

shall not unreasonably be withheld. be the second foother of a double kill for a period of picture still not be the second foother of a double kill for a period of picture still not be the second foother areas are written approval, which approval shall not be unreasonably withheld.

1. The License Period herein referred to shall commence on the date of this Agreement and shall expire ten (10) years from the date hereof.

III. TERRITORY

1. The term "Territory" as used in this Agreement shall be deemed to mean the United States of America and possessions and the Dominion of Canada, but excluding the State of New York, until the expiration of prior rights granted under a certain contract, a copy of which is annexed hereto as Exhibit "A", at which time said territory shall include the State of New York for the duration of the term stated herein. Division of gross receipts shall be governed pursuant to Article XII 1. (e).

IV. REPRESENTATIONS AND WARRANTIES

- 1. Licensor represents and warrants as follows with respect to the Picture:
- (a) Licensor has the full right to enter into this Agreement and to grant the license hereunder.
- (b) Licensor is the owner of all motion picture rights in and to the literary and dramatic material upon which the Picture is based which may be necessary to the proper distribution and exploitation of the Picture throughout the Territory, including the right to novelize the screenplay, to use synopses and resumes thereof for the purpose of advertising, distributing and exploiting the Picture.
- (c) Licensor has full power and authority to reproduce and distribute the Picture, throughout the Territory, and in all gauges of film and video tape, for theatrical, nontheatrical and television purposes.

- (d) Licensor has the right to use and license others to use the names, pseudonyms, photographs and likenesses of the actors, actresses and others appearing in the Picture in connection with the advertisement, distribution and exploitation of the Picture.
- (e) All rights in and to the music containe on the sound track of the Picture which may be necessary for the proper distribution and exploitation of the Picture throughout the Territory, are owned or controlled by Licensor, or all are in the public domain, or Licensor has obtained all necessary licenses and paid, or will have paid at the time of delivery hereunder, all necessary royalties payable to manufacturers of sound recording or reproducing equipment and all other royalties, license fees, payments to unions and guilds, or similar payments (including clearance for music) required to be paid in order to exploit the rights granted hereunder.
- (f) There are no claims, encumbrances or rights of any nature in or to the Picture or any part thereof which can or will impair the rights or livenses herein granted to Licensee; and there is not now pending any litigation or threatened litigation with respect to the Picture or any part thereof.
- (g) Neither the Picture nor any part thereof (including the sound synchronized therewith) or the exercise by Licensee of any right granted to it hereunder, will violate or infringe upon the copyright, literary, dramatic, music, property right or right of privacy of any party or constitute a libel or slander of any party.
- (h) The Picture has not heretofore been distributed or commercially exhibited anywhere in the Territory.
- (i) Licensor has not sold, assigned, transferred or conveyed, and will not sell, assign, transfer or convey, to any party any right, title or interest in or to the Picture, or any part thereof or the dramatic or literary material upon which it is based, which would be adverse to or impair in any way the rights granted to Licensee hereunder.

(j) Licensor has the necessary and essential 35mm preprint and negative elements and materials from which good and marketable and commercially usable release prints can be made. Licensor will authorize and direct their laboratory to accept orders from the Licensee to make any number of positive prints and/or negatives reasonably required of the Picture at the sole cost and expense of Licensee. Such preprint and negative elements and materials shall be free from any lien, encumbrance or claim of any nature.

V. INDEMNITY

af

1. The Licensor, shall indemnify Licensee against and hold Licensee harmless from any and all claims, suits, damage or expense including reasonable attorneys' fees that the Licensee may suffer or incur as a result of the breach of any of the Licensee's warranties herein.

VI. DELIVERY

- 1. Licensor will deliver the Picture and other materials, herein set forth, to Licensee at Licensee's principal place of business in the State of New York, free of all cost or expense to Licensee, as follows:
- (a) One sample release print of the Picture if available in color, fully cut, main and end titled, and assembled, with the composit English dialogue and the music and effects sound track printed thereon in synchronization with the photographic action, ready and suitable for theatrical exhibition.
- (b) One sample release print of a 35mm theatrical trailer (coming attractions) for the Picture in color, fully cut, with necessary titles, opticals and narration, and assembled, with the composite English dialogue and the music and effects sound track printed thereon in synchronization with the photographic action, ready and suitable for theatrical exhibition.

BEST COPY AVAILABLE

- (c) A reasonable number, but not less than fifty (50), of still photographs of the stars and scenes from the Picture. Also negatives or fine grain prints of such stills as are in black and white.
- (d) Any and all advertising and publicity material including original art work and reviews, used or prepared in the Distribution of the Picture in the State of New York, and such additional release prints which are or may be available to the Licensor from the distribution of the Picture in the State of New York.
- (e) Cast, credits and synopsis (not less than 500 words) of the Picture.
- (f) Any publicity stories, production stories and biographies that Licensor may have available.
- 2. The Delivery Items designated (a), (b), (c), (d), (e) and (f) shall be delivered to the Licensee within five (5) business days from the date of this Agreement and such additional release prints as designated in (d) as the same become available.

VII. CREDITS

1. In all advertisements issued by or under the control of Licensee, Licensee will abide by the statement of credits appearing in whatever prints or materials delivered to the Licensee by Licensor hereunder, except that no casual or inadvertent failure to abide by the credits appearing shall constitute a breach of this Agreement. Licensee shall have the right to affix to all positive prints its own trademark and a separate statement of credits indicating that the Picture is being presented or distributed by the Licensee in the Territory and on all advertising, publicity and exploitation in connection with the distribution of the Picture in the Territory.

VIII. ADVERTISING AND PUBLICITY

- Licensor grants to Licensee for advertising, publicity and exploitation purposes with respect to the exercise of the license herein:
- (a) The right to publish or cause or permit to be published in all languages in the Territory and in such forms as Licensee may deem advisable, novelization of the screenplay, synopses, summaries, resumes and stories of any excerpts from the Picture and any literary, dramatic or musical material included in the Picture.
- (b) To broadcast and to license or authorize others to broadcast, by radio, television or any other means, in any language, adaptions, versions or sketches of the Picture or any parts thereof, from sound records or with living persons, excerpts from, the theme of any literary, dramatic or musical material contained in the Picture or upon which the Picture is based.
- (c) To use the names, pseudonyms, photographs, and likenesses of the actors, actresses or others appearing in the Picture, for purposes of distributing, advertising, publicizing or exploiting the Picture.

IX. OTHER DOCUMENTS

1. Licensor covenants and agrees that it will execute and deliver such consents and other documents that may reasonably be required in order to enable Licensee to enjoy and possess all of the rights and privileges granted to Licensee under the terms of this Agreement.

X. THIRD PARTY ACTS

1. If any person, firm or corporation shall do or perform any acts which Licensee believes violates or infringes upon any right of Licensor, or Licensee, then Licensee shall have the right, at its own cost and expense, to take such steps and institute such suits or proceedings as Licensee may deem

advisable or necessary to prevent such acts and conduct and to institute such suits or proceedings in its own name or in the name of Licensor or in the name of the parties hereto jointly, and Licensee is hereby appointed and constituted the attorney-in-fact of Licensor to do all acts and things permitted or contemplated by the terms of this Article. Any legal fees incurred by Licensee in connection herewith shall be divided equally between the parties hereto. Licensee shall be worked or any Thomas life, arom with full sight of parace, and.



XI. MINIMUM GUARANTEE



- 1. Licensee agrees to pay to Licensor as Minimum Guarantee for the riests granted herein the sum of Seventeen Thousand (17,500) Dollars as follows:
- (a) \$5,000 upon the execution of this agreement and the balance of \$12,500 in three installments due on the following dates in the following amounts:

\$4,166--three months from the date hereof \$4.167--six months from the date hereof

\$4,167--nine months from the date hereof



Said installment payments shall be without interest at shall be evidenced by three promissory notes, to be signed by Licensee simultaneously with the signing of this agreement. Any default shall any be cured by Licensee within five (5) days green written worker by Licensee.

XII. DIVISION OF GROSS RECEIPTS

- 1. In addition to the Minimum Guarantee described in Article XI. above, Licensee agrees to pay Licensor the following percentages of the gross receipts subject to the provisions of Article XIV if, as and when received by Licensee, payment to be made with accompanying statements 90 days from the date hereof, and then monthly for one year and quarterly thereafter for the remaining term of this agreement.
- (a) 50% until Licensor receives the aggregate sum of \$100,000.
 - (b) 45% until Licensor receives the aggregate

sum of \$200,000.

(c) 40% thereafter

- (d) In the case of the sale of rights granted hereunder to television, C.A.T.V. or the like, Licensor shall receive 75% of such sum after deduction by Licensee of its direct
 expenses incurred in connection therewith. No sale shall be effective unless notice of any proposed sale is forwarded by Licensee to Licensor at which time Licensor shall have 30 days to
 sell the Picture to T.V., C.A.T.V. or the like for an amount in
 excess of any offer made to Licensee. In the are not of any sale
 under this sub-paragraph, Licensor shall receive 75% of the sale
 price, and in the event the sale is caused by Licensor, it shall
 be entitled to receive its direct expenses incurred in connection
 therewith.
- (e) In the case of rights granted to Licensee in the State of New York, it shall receive such amounts as is provided to the Licensee under the Agreement, attached as Exhibit "A".

XIII. GROSS RECEIPTS

1. The term "Gross Receipts", as used herein, shall be deemed to mean all license fees or rentals received by the Licensee or any of its sub-distributors or sub-licensees for licenses granted by them to exhi it or televise the Picture in the Territory.

XIV. DEDUCTION OF EXPENSES

- 1. From the Licensor's share of the Gross Receipts of the Picture, Licensee shall first deduct for:
- (a) The amount of the Minimum Guarantee described in Article XI. above.
- (b) The cost of all positive prints and replacements and all other charges made by laboratories for supplies, materials and laboratory work required in connection with the distribution of the Picture Mocion Wicess of 40 Prints, provided Acceptant objects in western with the live of the prints in excess of 40. Said lodges shall commence from North by Live Ce 2.

 (c) All sums which Licensee expends or incurs

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for general advertising, publicity, exploitation and promotion and one half of any sums expended for special and cooperative advertising.

(d) All sums required to be paid for insuring any positive prints, negatives or other materials and one half of any sums required to be paid for shipping and storage.

(e) All sums which Licensee expends or incurs in connection with the selling, distributing, advertising, publicizing and promoting of the Picture, excluding travel and entertainment, and hicense's general overhead.

(f) All sums required to be paid for censorship fees, MPAA fees, and any other fees required in connection with the distribution of the Picture.

(g) One half of any attorneys' fees which may be incurred in defending any action brought or threatened by virtue of the Picture's "X" rating.

XV. RETURN OF PRINTS AND OTHER MATERIALS

1. Upon the expiration of the License Period,
Licensee agrees to return to Licensor, at Licensor's expense
any and all positive prints, negative materials, duplicating
materials, sound tracks and recordings, and all other film
and advertising, publicity and exploitation materials relating
to the Picture then in the possession or subject to the control
of Licensee. Licensor shall have the option to direct Licensee
in writing to destroy any such prints or other materials in
lieu of returning same. All materials under this paragraph shall be
returned free of lieus.

XVI. NO WAIVER

Agreement by either party shall be deemed a continuing waiver or a waiver of any other breach or default.

9.

XVII. ASSIGNMENT

1. Licensor agrees that this license may be assigned by the Licensee to any individual, firm or corporation designated by Licensee, provided notice of said assignment is sent by Licensee to Licensor and Licensor consents in writing to such assignment. Such consent by Licensor shall not unreasonably be withheld. Any such assignment shall in no way impair the rights of Licensor to which it may be entitled under this Agreement.

INSPECTION OF BOOKS AND RECORDS

1. Licensee shall maintain accurate books and records reflecting the licensed Picture and gross receipts derived therefrom, which books and records shall be available for inspection, at reasonable times by Licensor, at the principal place of business of Licensee.

XIX. NO PARTNERSHIP

1. Nothing herein contained shall in anywise constitute this a partnership between, or a joint venture of, the parties hereto, or be construed to evidence the intention of the parties to constitute such. Neither party shall have the right to incur any debts or make any commitments for the other. Neither of the parties shall hold themselves out contrary to the terms of this Article by advertising or otherwise, and neither party shall become liable or be bound by any representation, act or omission whatsoever of the other party contrary to the provisions of this Article.

XX. GOVERNING LAW

1. This Agreement, and its validity, construction regularious Angreement, and effect, shall be governed exclusively by the laws of the State of New York. In the event any provision herein shall association be declared to be invalid or ineffective, the remaining terms of the Ship and conditions herein contained shall not hereby be affected of New york and shall remain in full force and effect. Each party agrees Hut shall so the all disputes
arrising here under, + shall be appointed within

Listy days. ONE arbitrator

XXI. ENTIRE AGREEMENT

1. This Agreement contains the entire agreement between the parties and there are no warranties, representations or other agreements between them. No agreement shall be effective to change, modify or discharge this Agreement or to waive any position or condition thereof, in whole or in part, unless such agreement is in writing, and signed by both parties hereto.

XXII. NOTICES

1. Any and all notices which either party may or shall be required to give pursuant to any provision of this Agreement shall be in writing and sent by registered mail, certified mail, or by telegram, to the principal place of business of such other person.

IN WITNESS WHEREOF, the parties hereto have hereunder affixed their respective hands and seals the day and year first above written.

KARMETIC PRODUCTIONS, INC.

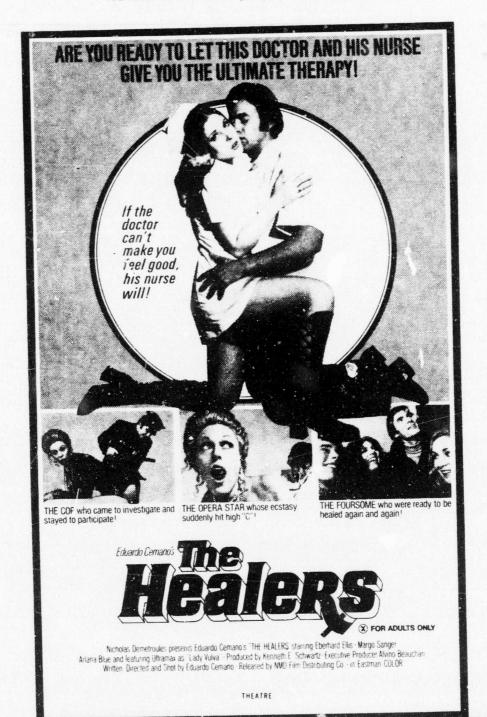
NMD FILM DISTRIBUTING CO., INC.

Ray .

Advertisement (Exhibit 11)



Advertisement and Synopsis (Exhibit 12)





"THE HEALERS"

Cast

Prof. Von Schmerling	PLAYS HIMSELF
Dr. Darby	EBERHARD ELLIS
The Nurse	MARGO SANGER
Mr. Birmingham	RUDI PAGLIACCI
The Belly Dancer	ARLANA BLUE
Officer Muldooney	MOISHE PIPPICK
The Foursome	BARBARA, RICK,
	SUZY and JOSH

And Featuring

ULTRAMAX as Lady Vulva

Credits

Written, Directed and shot by	. EDUARDO CEMANO
Producer	KENNETH E. SCHWARTZ
Executive Producer	. ALVINO BEAUCHARI
Sound	MAGNO SOUND

in Eastman Color

A Karmetic Production

Released by NMD Film Distributing Co.

Running Time: 80 minutes

"THE HEALERS"

Synopsis

Dr. Darby (EBERHARD ELLIS) and his nurse (MARGO SANGER), disciples of Professor Von Schmerling's (PLAYS HIMSELF) revolutionary sexual system of healing known as Orgasmic Free Flow, have just opened their new offices. Their first patient is the renowned opera singer, Lady Vulva (ULTRAMAX), who is seeking a cure for fainting spells that occur when she hits certain high notes. Dr. Darby immediately sees the problem as sexual and leads her into the therapy room for his personal treatment. It works. The good lady hits her high note and doesn't pass out.

In the meantime, Dr. Darby's nurse is busy administering to their second patient, a Mr. Birmingham (RUDI PAGLIACGI) who can't stop crying even when he is having sex. As the nurse brings his therapy to a climax, Birmingham bursts into hysterical laughter. He is cured.

Again Orgasmic Free Flow proves to be an unqualified success.

After his performance with Lady Vulva, Dr. Darby decides to take a break. Leaving his office, he sees a girl (ARLANA BLUE) attempting suicide and pulls here from the river's escapement in the nick of time.

When he questions her, she pulls out a slate from her coat and writes that she cannot speak. The doctor is immediately suspicious. Orgasmic block no doubt. He quickly leads the girl back into his office and learns she is a belly dancer. He prevails upon her to demonstrate her dance

technique in the nude. As she works herself into her number, the doctor works himself into a diagnostic frenzy and in a blaze of energy commences unblocking therapy. The treatment ends as the girl screams ecstatically: "That was wonderful!" Realizing that she has spoken and is cured, the girl runs excitedly out of the office completely forgetting her clothes.

Darby runs after her never realizing that he, too, is nude until he is stopped in the hallway by four young people, Bob and Carol and Ted and Alice (RICK, BARBARA, JOSH and SUZY). The doctor tries to explain his predicament to no avail. When he tells them his true profession, they challenge his Org amic Free Flow theory. Promising to attempt a cure on each of their afflicitions, Darby takes them inside their apartment and soon has the couples changing partners, with Bob and Ted exploring each other, and Carol and Alice kissing. Before long the foursome are not only healed but have become true believers, ready to be healed again and again and again.

After giving his nurse a "quickie" healing treatment, Darby is surprised to find Lady Vulva back with a police officer. Her cure was only temporary she rages as she accuses the doctor of quackery. Officer Muldooney (MOISHE PIPPICK) demands to see Darby's license to practice. Not having one, Darby quickly calls his mentor, Prof. Von Schmerling who, at that precise moment, is giving himself a "treatment" with the help of Playboy magazine. He is too busy to talk.

During the brief telephone conversation, Lady Vulva has led

Muldooney into the therapy room where she demonstrates what was

done to her. Eager to collect evidence Muldooney gets into the spirit

of things and soon finds himself and Lady Vulva in a heated healing session

which climaxes with Lady Vulva hitting her high note and Muldooney,

who had once been a dancer, leaping in the air. He can dance again!

Content that Orgasmic Free Flow heals all, the pair exit happily with

Lady Vulva ever aware that all she needs to hit those high notes without

fainting is daily healing.

Von Schmerling, contrite over his curtness to Darby, calls to apologize and learns of the miraculous cures performed by Darby. Even Von Schmerling is surprised by Darby's success. "Say, listen, maybe you can help me," Von Schmerling begs. "I've had this problem for years...."

The film ends with a curtain call of the cast in their outstanding scenes along with a brief biography of each performer.

####

Exhibitor's Showmanship Manuel (Exhibit 13)

EXHIBITOR'S SHOWMANSHIP MANUAL



ONE SHEET

165 LINES X 4 COL. = 660 LINES MAT 401

NMD Film Distributing Co.

250 West 57th Street, New York, N.Y. 10019 - (212) 581-8011



Cast

Prof. Von Schmerling Dr. Darby The Nurse Mr. Birmingham The Belly Dancer Officer Muldoo ey The Foursome

PLAYS HIMSELF EBERHARD ELLIS MARGO SANGER RUDI PAGLIACCI ARLANA BLUE MOISHE PIPPICK BARBARA, RICK, SUZY and JOSH

And Featuring ULTRAMAX as Ludy Vulva

Credits

Written, Directed and shot by Executive Producer

EDUARDO CEMANO KENNETH E. SCHWARTZ ALVINO BEAUCHARI MAGNO SOUND

in Eastman Color A Karmetic Production Released by NMD Film Distributing Co.

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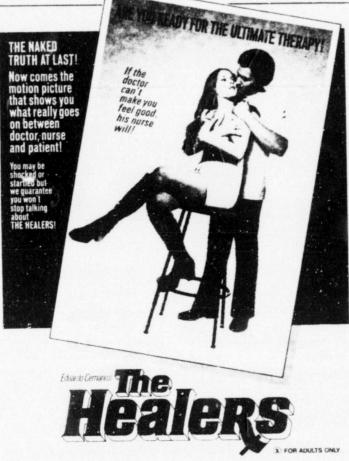
Running Time: 80 minutes



SOLINES 2 COL. 160 LINES

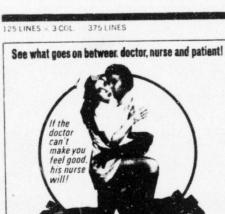


82 LINES 2 COL 164 LINES MAT 201



Notices perceipties present liberal scenaers — 18 in Albei in enveroperand filos. Margo fenger Albei bler and websing bleinde as Tude Kovi. Tradiced to harvin in schwarb (senator Perceipt englise Alven Bea Wilder Oriente und shuf by Educatio Omision. Reference by MMC (an ill perceipt on a Far than COVIR.

THEATRE



r COLOR THEATRE

HERALDS



68 LINES - 1 COL MAT 105



THEATRE

40 LINES - 1 COL MAT 102



ACCESSORIES -

TRAILER/STILLS/ONE SHEET/PRESS BOOKS RADIO SPOTS / AD & SCENE MATS

DONALD'L VELDE INC.



GOVERNMENT EXHIBIT



125 LINES × 3 COL. 375 LINES

MAT 301



BLINES - 2 COL 56 LINES

MAT 202

COMING! The Healers

6 LINES × 2 COL = 12 LINES



17 LINES × 2 COL 34 LINES

MAT 203

ACCESSORIES

TRAILER/STILLS/ONE SHEET/PRESS BOOKS RADIO SPOTS / AD & SCENE MATS

DONALD L. VELDE, INC.

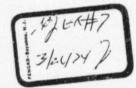
22

Clark Service, Inc. Records (Exhibit 15)

CLARK SERVICE, INC. 198 Gruner Road Buffalo, N. Y. 14225

PLEASE MAIL CHECK TO: CLARK SERVICE, INC. 130 Ferry Avenue Camdon, N.J. 08104

INVOICE



ACCOUNT 800 SECOND A VENUE

ADDRESS NO YORK, NEW YORK

WEEK ENDING

12-7-28

									SHIPMENT	5								
	SATURDAY SUNDAY		MONDAY TUESDAY		WEDNESDA	Y TH:	THURSDAY		NEA. 3	TOTAL		MATE	CHARGES					
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SHIPPING T. SUN. HOL P. WEEK DAYS																		
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HIPPED ONLY																		
MOUNTING NEPECTION SHIPPING														L				
TERBRANCH EMIPMENTS IN CARTONS																		
CENSOR	<u> </u>						-	-		+	-	-		-				
JUNKING AND SHIPPING										\perp								
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sc.																		_
sc.								•										
ARGES :	T																	
PIOR											* 1							
STAL DUE																	9	70

SPACE FOR ADDITIONAL DETAILED INFORMATION

11/2

GOVERNMENT EXHIBIT 15

DAILY FILM SHIPPING RECORD

e	12/5		Exchange		
int	THEATRE	CITY	SUBJECT	No. Reels	Play Dates
	Bulotope	2.	Healers	10	5-11
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Excerpts of NMD Corporate Records (Exhibit 16) COPY OF CERTIFICATE OF INCORPORATION (ATTACHED HERETO)

Certificate of Incorporation Business Comporation Law \$102 9 63 HLACKSTONE STATIONERS, INC.

Certificate of Incorporation of

NMD FILM DISTRIBUTING CO., INC.

under Section 402 of the Business Corporation Law

THE UNDERSIGNED INCC PORATOR(S) OVER TWENTY-ONE YEARS OF AGE DURKERY CERTIFY

- (1) The name of the proposed corporation is NMD FILM DISTRIBUTING CO., INC.
- (2) The purpose or purposes for which this corporation is formed, are as follows, to wit:

To make, buy, sell, distribute, lease and generally deal in motion picture films and negatives, motion picture projecting machines, and the parts thereof and all things incidental and necessary to the projecting of motion pictures; to buy, or hire written scenarios for motion pictures; to acquire and equip the necessary studio or studios wherein or whereat to make motion pictures; to make and deal in lantern and stereopticon slides, and lanterns or machines for projecting the same, and for all other lawful purposes.

The corporation, in furtherance of its corporate purposes above set forth, shall have all of the powers enumerated in Section 202 of the Business Corporation Law, subject to any limitations provided in the Business Corporation Law or any other statute of the State of New York.

- (B) THE OFFICE OF THE CORPORATION TO BE LOCATED IN THE City (city) (town) (incorporated villoce)

 OF New York COUNTY OF New York, STATE OF NEW YORK
- THE AGGREGATE NUMBER OF SHARES WHICH THE CORPORATION SHALL HAVE THE AUTHORITY TO ISSUE IS two hundred, no par value.
- (5) The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State show mail a copy of any process against the corporation served upon him is c/o Nicholas Demetroules, 357 North Broadway, Yonkers, New York.

The undereigned incomparator, or each of them if there are more than one, is of the one of twenty-one years or one.

IN WITNESS WHEREOV, this certificate has been subscribed this day of May 1971 by the unities and who abstracts that the startment made here in the true under the parallels of perjament.

NICHOLAS DEMETROULES 357 North Broadway Yonkers, New York

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To enumerate or sociator

Addiess

Traditions of Supersonation

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NMD FILM DISTRIBUTING CO., INC.

under Section 402 of the Pasiness Corporation Law

FH of Dy:

Office and Post Office Address

PLACKSTONE STATIONERS INC. 180 NISSED STREET, NEW YORK, NYV.18038 BEFAMAN 3-1830 CORPORATION OUTFITS . OFFICE SUPPLIES & ENGRAVING USS BLA COMPACHEROMALIZED ALBANY SERVICES FOR ALL CORPORATE PORTIES.

WAIVER OF NOTICE

OF

FIRST MEETING OF DIRECTORS

the sole
We, the undersigned, being xelk wind the Directors of
NMD FILM DISTRIBUTING CO., INC.

hereby navirally waive notice of the time and place of the first meeting of the Board of Directors of said Corporation, and consent that it be held at 1450 Broadway, New York, N. Y.

on May 21, 1971, at 1:30 o'clock in the after noon for the purpose of electing officers and for the transaction of any other such business which may lawfully come before said meeting.

Dated the	21st	day of	May	all the Deme	1971 Colferoules

MINUTES OF FIRST MEETING

OF

BOARD OF DIRECTORS

OF

NMD FILM DISTRIBUTING CO., INC.

The first meeting of the Board of Directors of NMD FILM DISTRIBUTING CO., INC.

was held on the 21st day of May , 19 71 , at 1:30 o'clock in the after noon at 1450 Broadway, New York, N. Y.

The following were present:

NICHOLAS DEMETROULES

the sole being with the Directors of the Corporation. Also present by invitation was David Nadler.

Upon motion duly made, seconded and unanimously carried, Mr. Nicholas Demetroules was elected temporary Chairman, and acted as such until relieved by the President, and Mr. David Nadler was elected temporary Secretary, and acted as such until relieved by the permanent Secretary.

A written waiver of notice of this meeting, signed by all of the Directors, was then presented and read by the Secretary and was ordered appended to these Minutes. The meeting then proceeded to the election of officers. The following persons were duly nominated; and on motion duly made, seconded and unanimously carried, the following were elected as officers of the Corporation to serve until the next annual meeting or until their respective successors are elected and qualified:

For President: Nicholas Demetroules

For Vice-President: Lilling Demetroules

For Secretary: Nicholas Demetroules

For Treasurer: Nicholas Demetroules

The President and Secretary thereupon assumed their respective offices in place and instead of the Temporary Chairman and the Temporary Secretary.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that the certificate for shares of this Corporation be in the form of the specimen certificate submitted to this meeting and affixed by order of this Board to the minutes of this meeting.

WAIVER OF NOTICE

OF

FIRST MEETING OF SHAREHOLDERS

the sole
XXXX, the undersigned, being XXXX/XXXX shareholderxxof

NMD FILM DISTRIBUTING CO., INC.

hereby xaverably waive notice of the time and place of the fire meeting of shareholders, and consent that it be held at 1450 Broadway, New York, New York on May 21 , 1971 at 2:00 o'clock in the after noon for the transaction of any business which may lawfully come before said meeting.

Dated the	21st	day of	Dull	tuu	, 19 71. Tes
9			Nicholas	Demetro	oules

MINUTES OF FIRST MEETING

OF

SHAREHOLDERS

OF

NMD FILM DISTRIBUTING CO., INC.

The first meeting of shareholders of

NMD FILM DISTRIBUTING CO., INC.

was held on the 21st day of May , 1971 , at 2:00 o'clock in the after noon at 1450 Broadway, New York,

The following were present:

NICHOLAS DEMETROULES

the sole being ***RXXXXX*** shareholder** of the Corporation. Also present by invitation was David Nadler.

Mr.Nicholas Demetroules acted as Chairman of the meeting, and Mr. David Nadler acted as Secretary.

A written waiver of notice of this meeting, signed by all of the shareholders, was presented and read by the Secretary and was ordered appended to these Minutes. The meeting then proceeded to the election of officers. The following persons were duly nominated; and on motion duly made, seconded and unanimously carried, the following were elected as officers of the Corporation to serve until the next annual meeting or until their respective successors are elected and qualified:

For President:

Nicholas Demetroules

For Vice-President:

Nicholas Demetroules

Nicholas Demetroules

Nicholas Demetroules

The President and Secretary thereupon assumed their respective offices in place and instead of the Acting Chairman and Acting Secretary.

MINUTES of a Special Joint Meeting of the Sole Stockholder and Director of NMD FILM DISTRIBUTING CO., INC., held on the 24th day of March, 1972, at 10:00 A.M. at the offices of Ballon, Stoll & Itzler, counsel for the Corporation, 1450 Broadway, New York, N.Y.

PRESENT:

NICHOLAS DEMETROULES

constituting the sole stockholder and director of the Corporation.

Also present by special invitation was David Nadler.

Nicholas Demetroules, President of the Corporation, acted as Chairman of the meeting, and David Nadler acted as Temporary Secretary thereof.

The Secretary presented to the meeting a waiver of notice thereof executed by the sole stockholder and director of the Corporation, and the same was ordered annexed to the minutes of this meeting.

The Chairman advi ed the meeting that David Nadler was desirous of purchasing from the Corporation 6 shares of stock of the Corporation for the aggregate sum of \$1,000.00.

After discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Corporation be and it hereby is authorized to enter into an agreement wherein and whereby the Corporation would sell to David Nadler 6 shares of the common stock of the Corporation for the aggregate sum of \$1,000.00, a copy of said agreement to be annexed to the minutes of this meeting; and it was further

RESOLVED, that the officers of this Corporation be and they lereby are authorized and directed to take all steps necessary and to sign arv and all documents to effectuate the foregoing resolution.

The Chairman then advised the meeting that it
would be in the best interests of the Corporation to elect
and officer
David Nadler as a director/of the Corporation.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that David Nadler be elected as director of the Corporation to serve for the ensuing year and until his successor is elected and qualifies; and it was further

RESOLVED, that David Nadler be elected as secretary of the Corporation to serve for the ensuing year and until his successor is elected and qualifies.

There being no further business before the meeting, same was, on motion duly made, seconded and unanimously carried, adjourned.

David Nadler